

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES - GENERAL

Case No.	SACV 16-00686 AG (DFMx)	Date	August 10, 2017
Title	BRUCE CAHILL ET AL. v. PAUL PEJMAN EDALAT ET AL.		

Present: The Honorable	ANDREW J. GUILFORD
Lisa Bredahl	Not Present
Deputy Clerk	Court Reporter / Recorder
Tape No.	
Attorneys Present for Plaintiffs:	Attorneys Present for Defendants:

**Proceedings: [IN CHAMBERS] ORDER REGARDING PUNITIVE
DAMAGES AND UNFAIR COMPETITION CLAIMS**

Punitive damages. The Supreme Court has recognized that “[p]unitive damages pose an acute danger of arbitrary deprivation of property.” *Honda Motor Co. v. Oberg*, 512 U.S. 415, 432 (1994). The United States Constitution thus imposes “procedural and substantive . . . limitations on [punitive damages] awards.” *State Farm Mut. Auto. Ins. Co. v. Campbell*, 538 U.S. 408, 416 (2003). In practice, “few awards exceeding a single-digit ratio between punitive and compensatory damages . . . will satisfy due process.” *Id.* at 425. Courts review punitive damages awards to ensure they are not grossly excessive or arbitrary based on the three “guideposts” discussed in *BMW of North America, Inc. v. Gore*, 517 U.S. 559, 574–85 (1996), although the ability to pay the punitive damages award also has some relevance, *see Freund v. Nycomed Amersham*, 347 F.3d 752, 763–64 (9th Cir. 2003).

The Court takes this opportunity to remind the parties that failure to comply with all requirements to produce financial information may have serious consequences.

Unfair competition. Defendants asserted counterclaims under California’s Unfair Competition Law (“UCL”), which are equitable in nature. *See Cal. Bus. & Prof. Code § 17200 et seq.; Bank of the W. v. Super. Ct.*, 2 Cal. 4th 1254, 1265–66 (1992). The Court now finds and concludes in equity that the facts and law do not sufficiently establish a UCL claim, and Defendants are entitled to no UCL relief.

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Preparer lmb